SECTION 1

Project Request Report

This section describes the key elements and submittal requirements of the Project Request Report.

1.1 Introduction to the Project Request Report

What is the purpose of the Project Request Report?

The Project Request Report is a short report which is used to communicate essential project objectives with factual data in advance of the predesign process, tie project proposals to agency strategic operational planning and capital master plans, thereby improving budget and building decisions.

The focus of a Project Request Report is on the relationship of the project to mission, strategic planning, program, justified project need and preliminary total cost implications. The short report generated by this stage of predevelopment planning becomes a major guiding force for future development and remains part of the project history. An expanded version of the Project Request Report becomes part of the Predesign Report.

When is a Project Request Report required?

Currently, predesigns are required for all projects with a total cost of $5 million or more. Projects with budgets originally estimated to be less than $5 million that expand to $5 million or more over consecutive biennia must submit a Project Request Report.

Allotment requests for 2001-2003 Predesigns

A Project Request Report is required for allotment of predesign funds approved during the 57th Legislative Session.

In advance of a request for a predesign

It will also be required for all future predesign requests during the 2003-2005 budget review cycle. Agencies should incorporate project request reports into their capital budget planning now.

10 year capital plans

In order to include a project in the first two biennia of a ten-year plan, a Project Request Report must have OFM and legislative review. Agency 10 Year Capital Plans should be updated to reflect this requirement.

A Project Request Report must be resubmitted if the gross square footage changes 20% or more. Projects which do not receive predesign funding or design funding within 24 months of being granted conceptual approval must update and revise their Project Request Report.

Future use of Project Request Reports

Remodel, renovation and new construction projects with a total cost of $1 million or more of state funding may also be subject to the Project Request Report in future biennia. Unlike other states which have elected to extend full predesign process to projects under $5 million, OFM anticipates that the Project Request Report information for projects between $1 million and $5 million will not make that change necessary in Washington State. However, at this time, they are required only for projects that require a predesign and as indicated above.

1.2 How is a Project Request Report organized? NEW!

The Project Request Report is a six-part report with an optional appendix.

Project Request Reports should have the following standard sections:

1.0 Summary

2.0 Scope and Project Description

3.0 Justification

- **3.1 Prior Planning**
- **3.2 Needs Analysis and Planning Process**
- **3.3 Issues Identification**
- **3.4 Site Feasibility**

4.0 Budget Development

5.0 Schedule

6.0 Implementation Approach

7.0 Optional Appendix

1.3 When is the Project Request Report due?

Agencies are strongly encouraged to submit in advance of the cut-off date.

Project Request Reports will be reviewed by OFM when they are submitted by agencies and institutions. Agencies and institutions are strongly encouraged to submit Project Request Reports in advance of the cut-off dates.

October 1 or the Monday immediately following October 1 of odd numbered years is the cutoff date for consideration for the Supplemental Capital Budget.

October 1 or the Monday immediately following October 1 of even numbered years is the cutoff date for consideration in the Regular Session Capital Budget.

2001-2003 Predesigns

These instructions were written before the 57th Legislature passed either an Operating or a Capital Budget. At that time, funding levels for predesigns were unknown. Before allotments can be released for predesign funds, agencies and institutions will need to submit a Project Request Report. If a need for additional predesign money is indicated, the Project Request Report will be used as the basis for evaluating that request as well as establishing the basis for project scope.

How long is it supposed to be?

General guidance is that the report should be complete and not preclude stapling or hole punching. It should be able to fit in either a letter size file or a binder at the option of the recipient.

Keep it short and factual. If it needs a binder of its own, it's too long.

The basic information in individual Project Request Reports is expected to evolve over time as more information becomes available or refined. However, there should be fewer changes in scope and project description if careful preplanning has occurred early on.

How many copies?

Please submit five hard copies and one electronic copy. OFM will transmit copies to the Legislative Staff.

1.4 What are the Submittal Requirements?

Summary

The summary should be contained in the revised C-2 form, Capital Project Request Report Summary. See Appendix E.

To avoid problems later, please take special care to verify Legislative District information. Legislative district boundaries can be verified with the Redistricting Commission. Contact Ethan Moreno at (360) 586-9000.

Scope and Project Description

Preliminary Statement – Establish the nature and purpose of the project. This section should be very short at this stage of project planning. Keep it short and focused on the facts: What is it? Is it new space or remodeled space and systems? Is it a new building or renovation of an existing building with new space added on? Where is it? When is it proposed? The preliminary summary statement is a description that will stay with the project through its completion and occupancy. This statement could also serve as an introductory paragraph to appropriation language and used in capital budget request forms.

Frame the project without constraints of cost or scale.

Clarity is more important than lengthy prose.

If applicable, provide a brief summary of the current state repair of the building(s) or facilities involved.

Attach an 8 ½ x 11-inch site plan of the entire site with the project site (building) identified and highlighted. If a site has not yet been determined, attach a plan that shows the sites or locations under consideration.

The predesign, if funded, will contain more detailed information. For example, new space and remodeled space at the end of predesign should have specific amounts of square footage and preliminary costs assigned.

Justification

This section addresses how the project relates to specific agency or institutional objectives. It is the project rationale and reason for existence. Project history is also relevant.

Prior Planning

Include any relevant history of the project, including any previous versions that did not go forward to predesign, design or construction. Many projects have been a victim of “the times”—the wrong ones for the particular project.

Strategic Plan, Capital Master Plan and other plans

Address the relationship to strategic plan and agency capital master plans, local comprehensive plans, neighborhood plans and other existing or ongoing planning processes that may affect the project. Project justifications must be consistent with agency strategic and capital master plans.

- What is the relationship of the proposed project to the agency or institution's strategic and capital master plans? Agencies or institutions lacking well-developed strategic objectives or a capital master plan should start with their mission or scope statement as the source document for determining these objectives. Agencies without capital master plans should clearly state this fact.

  Note: The project rationale is driven by agency or institutional mission and should not be written by an objective external consultant.

Operational Program Issues

This subsection contains a restatement of the statutory and other requirements that drive the operational program. Program dictates design and decisions made early on ultimately affect costs. For example, a new science building with a rooftop observatory will dictate the location of other programs within the building and the siting of the building for unobstructed view of the sky.

- What are the statutory or judicial requirements that drive the project's operational programs? How do these affect the need for space, location, or physical accommodations?

- Distinguish between mandatory requirements and requirements for future growth. For example, a mandatory caseload or enrollment change arises from an explicit statutory requirement for state-funded services. A change in the demand or the need for a service is not mandatory unless the recipients of that service or benefactors of the activity are entitled by statute or rule.

- Summarize the agency or institution's approved operational program for the project. Detailed information belongs in the report appendix.

- Where did the approval for the program originate? What divisions or programs will be part of the project? How many FTEs are involved? Who will pay? See also the budget section.

- What are the anticipated results from the proposed project?

Needs Analysis and Planning Process

Summarize the needs analysis and planning process for the project. Explore alternatives that will be considered to meet the project's operational program requirements. For further discussion in the predesign, frame the discussion of each of these categories over a 10 year timeframe:

What options have already or will be considered during the predesign process?

- Co-location and/or consolidation
- Renovation
- Rearrangement of uses or users (adjacency needs, back-filling scenarios)
- Leasing
- No action

Be sure to address the no action alternative. Describe the consequences to the public service delivery, stakeholders and client-groups of not building, remodeling or renovating. Other categories may be added.

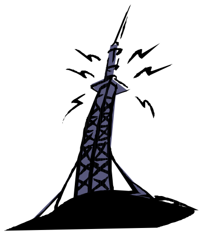
Issues Identification

✓ ***Plan for the future***
✓ ***Consider operating savings***
✓ ***Express your agency's values beyond acquiring new, improved space***

Identify issues for predesign, particularly those that will need further study. Categories might include: information technology, energy conservation, telecommunications and transportation demand management, architectural and engineering programming, and general design concepts to be addressed in predesign. This is the stage to identify sustainable building practices, energy conservation and operational savings. Many higher up-front costs will pay off in the long run, particularly for high quality buildings with 50 to 100 year life spans.

Co-location projects should consider:

- Central source for customer service
- Efficiencies by reducing staff travel time and combining similar activities
- Demonstrate reduction in capital costs
- Reduction in operating costs by sharing costly technical systems and programs



All projects should consider:

- Energy efficient siting and building issues
- Sustainability and “green building” design issues, practices and building components
- Effective use of technology to reduce operating and capital costs

As these instructions were being revised, the 57th Legislature passed and Governor Locke signed into law HB 2247, State Energy Supply. Among other provisions, this new law provides for energy efficiency measures in public buildings and specifies duties of the Department of General Administration in implementing conservation measures in state facilities.

Contact the Energy Program, Division of Engineering and Architectural Services at (360) 902-7194 or (360) 902-7272 for technical assistance.

Site Feasibility

This section contains basic data that should be available for consultants to start work on the predesign. Some of the items below will be fleshed out in predesign, but thought and work should already be underway in the planning process to judge whether or to what degree a particular site or sites are appropriate for development.

What is known?

Identify the existing site studies that are available, have already been completed or are underway. Link this information with the history of the site.

What additional information is needed for predesign?

Can costly mitigation requirements be minimized by either changing the location or the project approach to avoid the impact in the first place?

- Ownership
- Acquisition issues, including timing
- Reproved development. Has the local jurisdiction been contacted yet?
- Easements—existing and required for new development
- Location, description and dimensions
- Wetlands and shoreline impacts. Has a wetlands delineation been conducted? Will existing wetlands need to be filled? Is the site affected by shoreline jurisdiction?

- Setback requirements
- Adjacent facilities and site features
- Neighborhood and "good neighbor" issues
- Green space and natural amenities that need to be preserved or accorded special treatment during development
- Environmental issues and site mitigation
- Utility extension or relocation issues
- Parking and access issues. How is the site accessed? What improvements will be required by local ordinances? Can parking demand be reduced to reduce the need for extra parking stalls? How will the site accommodate parking? Tie into issues for predesign, linked to transportation demand management.
- Impact on existing development with construction lay down site and construction phasing

Projects without selected sites

For projects without a site, contact the OFM capital budget analyst assigned to your agency to discuss this section. Projects without specific sites should develop an initial definition of site selection criteria. Actual site selection may occur before predesign or during predesign.

Budget Development

Relate the budget to the scope of work

- Relate the budget for the project to that identified in the scope of work. There is a tendency to alleviate deferred maintenance conditions that are incidental to remodeling projects by making them part of the project scope of work, hiding the charges. A scope of work may not be extended for the sole purpose of remedying a deferred maintenance condition. However, funds for the deferred maintenance part of a renovation project may be applied from an agency or institution's infrastructure savings account or omnibus minor works list.

Is existing space effectively utilized?

- Before budgeting for new space, ensure that all existing space is effectively utilized before new space is proposed. This will require an update of the agency or institution's space inventory. If existing space is available to meet program requirements, renovation or reuse is an alternative way to satisfy the program requirements. Include discussion on how space might be backfilled or renovated to reduce overall space needs. Provide justification for deconstruction of existing space or space left vacant that might meet the program needs.

Space Needs Assessment

Conduct a space needs assessment with the following minimum steps:

- Calculate and project space needs by using currently recognized space planning guidelines. Identify the guidelines used.

- Compare space needed to space currently assigned and space proposed to be retained by the affected units. Put in table form with explanatory notes as needed.

- Determine the deficits of space for program function that justify the capital project.

- Determine the impact of the project on the agency or institution's overall space deficit.

Cost Planning
Cost Control Range

Cost planning is different from cost estimating. Cost planning occurs before designs have been prepared. It relies on historical or standard industry data to predict the project's overall costs. It answers the question "Within what range will the project budget fall after the project is fully designed?" Cost estimating measures only the project actually described in drawings and specifications. The Project Request Report is not intended to produce cost estimate level data.

Cost planning should consist of the following minimum steps:

- **Relate the space needs to a projected cost per square foot.** Identify the expected cost range for the project. Use industry standard cost guidelines such as R.S. Means. For projects not readily represented by industry standards, use internal historical data and comparison data for similar development in other states. Include the source of the data in your narrative as well as backup for your cost range.

Informed responses are possible for projects without known sites or project sizes. Use square foot ranges and an estimate range for site development, including property acquisition. The predesign funding will enable agencies and institutions to build a realistic project budget in the revised C-100 format. See Appendix E. Cost planning level information for the Project Request Report is translated to the Revised C-2 Form also found in Appendix E.

Projects Outside Cost Control Ranges

- **For projects outside a recognized cost control range, additional information is required to explain why the range is inappropriate or too general for the proposed facility**. Contact the OFM capital budget analyst to discuss the format for a project encountering this scenario.

Other justification for development outside cost control range may include specific and justifiable need for a facility of higher cost or quality (e.g., a signature building constructed primarily from gifted or non-state funds that permit the cost or quality exceedence.)

Funding Sources

- Identify the fund sources and proposed funding sequence for construction.

- What alternative financing will be considered?

Operating Budget Impacts.

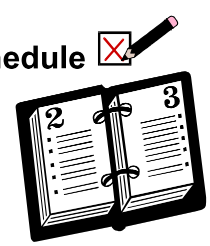
Show operating costs over three biennia in table form. Estimate the project's effects on operating budgets including staffing levels and corresponding salaries, building repair, replacement and maintenance.

- What are the operating budget impacts during the project? Provide a staffing plan that includes in-house staffing requirements (FTEs) for the project.

- Identify projected savings in operational costs. Operational costs should detail the net new costs in a table showing existing operational costs, projected new costs and the net differences.

- How will additional operational costs be funded after the project is complete? Provide detail on fee generated and other revenue, including a full description of the fees and the assumptions used in making projections.

Schedule



Break down the key events of the project and include beginning and end dates of all. Include all proposed phases. Highlight the anticipated substantial completion and occupancy dates.

Note the midpoint of construction. This date is important because it will be used later for tracking cost inflation and budget impacts of delaying or accelerating a construction proposal. For the purpose of definition, midpoint of construction is the date midway between the commencement date and the date of substantial completion.

Provide funding sequence information if applicable.

Implementation Approach

This section serves as the organizing framework for future decision-making. Discuss the overall direction for further work on the project.

- Identify roles and responsibilities for the project.

  Caveat: Be sure a key component of your project predesign team includes people who will have an eye on operating impacts, both from a budget standpoint and from a building operations and maintenance standpoint.

- What are the in house staffing requirements for the proposed project?

Indicate a contact person and telephone number for someone who can answer technical and policy questions related to this project request. If those answers come from different people, please provide more than one contact.

Discuss key elements relative to how the project might be executed as well as procedures—GC/CM, Design Bid Build, Design Build or Lease Development (with or without ownership option)—methods or resources available or needed for the proposed project.

Optional Appendix

In addition to the Project Request Report, agencies may decide to include additional information. This information belongs in an appendix. Keep in mind that the goal is still to avoid notebooks and bookshelf documents. Examples of additional supporting information may include, but is not restricted to:

- The agency strategic plan, relevant excerpts or site maps from agency master plan or local jurisdiction comprehensive plans
- Agency performance standards
- Other special reports or details summarized in the Project Initiation Report
- Details on programs, divisions or units

Figure 1
State of Washington
CAPITAL BUDGET PROCESS - MAJOR PROJECTS